

CHURN MANAGEMENT IN SRI LANKAN RETAIL MOBILE MARKET

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Abstract

Churn is a measure of the number of subscribers who leave or switch to another carrier's service. Churn is two fold comprising voluntary churn and involuntary churn. The frequent migration of customers is in a way a threat to mobile operators as the expense on customer acquisition is greater than retention. On the other hand, for any operator it is difficult to maintain a steady growth in the market without maintaining the existing customer

Due to profound competition, controlling churn rate is becoming a challenge to Mobile Operators and identifying reasons for Churn is an even greater challenge as it is highly dependent on the values, culture, attitudes and perception of the different segment.

The main causes for retention or churn from one network in Sri Lanka are identified by a questionnaire evaluated across various demographic factors (Age, Education level, Monthly income, Gender). The questionnaire was distributed among 400 mobile subscribers and received 105 responses which were used in the analysis set out in the chapters to follow. Strategies that can be used to minimize churn rate are identified based on the feedback received in the questionnaire and by looking at best practices available in the region. Finally, the researcher developed a model to prioritize the influencing factors (Tariff, Coverage, Brand, VAS, QOS) for overall customer satisfaction of Sri Lankan Mobile customers and checked whether there is any relationship with demographic factors and influencing factors for churn. In addition to that, the researcher has suggested strategies that should be adopted by Sri Lankan mobile operators to minimize churn